

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6304**

**BILL NUMBER: SB 21**

**NOTE PREPARED:** Nov 19, 2007

**BILL AMENDED:**

**SUBJECT:** Additional 2007 Homestead Credit.

**FIRST AUTHOR:** Sen. Young R Michael

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that in a county that, after December 31, 2007: (1) issues bills or revised bills for property taxes first due and payable in 2007; or (2) issues a reconciling statement for property taxes first due and payable in 2007; the county council may adopt a resolution authorizing the county auditor and the county treasurer to apply the additional 2007 homestead credit as a credit against property tax liability or as a refund.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Under current law, homestead owners will share \$300 M in additional homestead credits, based on their 2007 property tax bills. These credits will be paid to homeowners in the form of a rebate. The rebates must first be applied to any delinquent property taxes owed by the taxpayer in the county. A written explanation of the rebate must be sent to the property owner.

In a county that issues tax statements, revised tax statements, or reconciling tax statements after December 31, 2007, for taxes otherwise payable in 2007, this bill would permit the county fiscal body to resolve to apply the additional credits on the tax bill rather than sending a rebate. If the additional credit exceeds the remaining tax due for 2007, the county auditor and county treasurer would be able to either apply the remaining credit to 2008 tax bills or issue a refund.

If the county opts to apply the credit against 2007 tax bills rather than issue rebate checks, the county would save the expense of (1) issuing the checks and (2) sending the written explanation to property owners.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** County auditors; County treasurers.

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.